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**THE GODERICH ELEVATOR AND  
TRANSIT COMPANY LIMITED**



**71<sup>ST</sup> ANNUAL REPORT**

*For the Year Ended March 31, 1969*

## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

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NOTICE is hereby given that a meeting of the shareholders of The Goderich Elevator & Transit Company Limited will be held at Goderich, Ontario, in the Company's Office on Friday, June 20, 1969, at the hour of 11:00 o'clock (DST)\* for the purpose of:

- (a) Receiving the report of the directors and financial statement for the past fiscal year;
- (b) Electing Directors;
- (c) Appointing Auditors;
- (d) Transacting such other business as may be properly brought before the meeting.

By Order of the Board of Directors.

Dated at Goderich, Ontario  
this 2nd day of June, 1969.

J. C. CHISHOLM,  
Secretary.

\*Please note change of time.

# THE GODERICH ELEVATOR AND TRANSIT COMPANY LIMITED

## INFORMATION CIRCULAR

### SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation by the management of The Goderich Elevator and Transit Company Limited of proxies to be used at the annual meeting of shareholders of the company to be held at the time and place and for the purposes set forth in the preceding notice of meeting. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by regular employees of the company at nominal cost. The cost of solicitation by management will be borne by the company.

### APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors of the company. A shareholder desiring to appoint some other person to represent him at the meeting may do so either by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, delivering the completed proxy to the Secretary of the Company.

A shareholder who has given a proxy may revoke it either (a) by signing a proxy bearing a later date and delivering it to the Secretary of the Company, or (b) as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy, by signing written notice of revocation and delivering it to the Secretary of the Company or the Chairman of the meeting.

### EXERCISE OF DISCRETION BY PROXIES

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. In the absence of such direction, such shares will be voted for the approval of the directors' report and financial statements, and for the election of directors and the appointment of auditors as stated under those headings in this circular. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting, and with respect to other matters which may properly come before the meeting. At the time of printing this circular the management of the Company knows of no such amendment, variations or other matters to come before the meeting other than the matters referred to in the notice of meeting.

### VOTING SHARES

On the 31st of March, 1969 the Company had outstanding 84,166 common shares without nominal or par value, each carrying the right to one vote per share. The directors and senior officers of the Company do not know of any person or company beneficially owning, directly or indirectly, shares carrying more than 10% of the voting rights attached to all shares of the Company.

The directors have fixed June 2, 1969 as the record date for the determination of the persons entitled to receive notice of and to attend and vote at the meeting.

### ELECTION OF DIRECTORS

The board consists of 7 directors to be elected annually. The persons named in the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth below, all of whom, are now members of the board of directors and have been since the dates indicated. The management does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next Annual Meeting and until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws.



The following table and the notes thereto state the names of all the persons proposed to be nominated for election as directors, all other positions and offices with the Company now held by them, their principal occupations or employments, the year they became directors of the Company, and the approximate number of shares of each class of the Company beneficially owned directly or indirectly by each of them, as of May 15th, 1969.

NAME	BECAME DIRECTOR	COMMON SHARES
FREDERICK H. DUNSFORD of St. Marys, Ontario Chairman of the Board since 1967 and Chairman of the Board of Great Star Flour Mills Limited	1943	361
HERBERT C. HEIMBECKER of Toronto, Ontario President of Parish & Heimbecker Limited	1962	57
GEORGE G. PARSONS of Goderich, Ontario President of the Company since 1967 and Manager since 1964	1965	393
KENNETH W. JONES of Winnipeg, Manitoba Manager of Winnipeg Charterers Limited	1966	85
KENNETH E. HUBLEY of Toronto, Ontario Manager, Toronto office of James Richardson and Sons Ltd.	1967	5
DAVID B. WELDON of London, Ontario President, Midland-Osler Securities Limited	1967	1,611
WALLACE T. POWELL of Winnipeg, Manitoba Vice-President of K. A. Powell Canada (1966) Limited	1969	7

**Notes:** (a) The information as to shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective directors individually.

(b) Unless otherwise stated above, each of the above named persons has held the principal occupation or employment indicated for at least five years.

## REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

- Aggregate direct remuneration paid or payable by the Company in the year ending March 31st, 1969 to the directors and senior officers of the Company (this includes remuneration of three employees not considered to be part of the management of the company) ..... \$54,800
- Estimated aggregate cost to the Company in the year ending March 31st, 1969 of all pension or retirement benefits proposed to be paid to the \*directors and senior officers of the Company under existing plans in the event of retirement at normal retirement age ..... \$ 3,160
- Maximum annual aggregate of all retirement allowances proposed to be paid in the future by the Company, pursuant to existing arrangements, to \*directors or senior officers of the Company (excluding payments under plans referred to in paragraph (2) and payments to be made for or benefits to be received from group life or accident insurance, group hospitalization or similar group benefits or payments) \$ 1,100

\* Directors of the Company are not entitled, as such, to any pension or retirement benefits.

## APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the re-appointment of Messrs. Clarkson, Gordon & Co. Chartered Accountants, London, as auditors of the Company, to hold office until the next Annual Meeting of Shareholders. Messrs. Clarkson, Gordon & Co. have been auditors of the Company for more than five years.



## REPORT OF THE DIRECTORS

On behalf of the Board of Directors, I take pleasure in presenting the financial statements of your Company as at March 31, 1969, together with the Auditor's report thereon.

## FINANCIAL REVIEW

Grain handled for the year at 10,348,056 bushels was 21.5% less than the year previous. Profit after taxes was \$99,488 equal to \$1.18 per share compared to \$1.55 per share in 1968 and \$1.24 in 1967.

Dividends were paid half-yearly on the outstanding shares at an annual rate of \$1.00 per share with an extra .25c per share dividend declared for January 1, 1969.

Because the dividend paid exceeded net profit by \$5,720, retained earnings were reduced by this amount to \$521,530. A reduction of current assets was offset in part by a reduction in current liabilities so that at year end with working capital of \$794,293, the current ratio remained at 14 to 1. Further to mention in last year's statement of the program of revision of the investment portfolio, the Executive Committee has achieved a better comparison of market to cost value than has heretofore been reported.

## BOARD OF DIRECTORS

Since year end, Mr. Kenneth A. Powell resigned from the Board of Directors. Mr. Powell, a successful grain merchandiser and exporter from Winnipeg, served the Company faithfully since 1940 and was Vice-President. A quiet unassuming manner coupled with his lifetime experience in the grain business was a valuable asset to Goderich Elevator. On behalf of the Directors, I wish to extend to him our sincere thanks. Mr. Wallace T. Powell of Winnipeg was appointed by the Directors to complete the unexpired term of office and Mr. David Weldon was elected Vice-President.

## OUTLOOK

Storage earnings look reasonably promising and the volume of Western grain to be handled may be comparable to last year. The receiving, storing and shipping of Ontario grains has doubled each year in the past three years until in 1969 it accounted for almost 10% of our total throughput. Our receiving facilities have not been adequate for this increasing volume and to properly service this growing aspect of the business, your Company is just completing installation of platform scales and related equipment for a capital expenditure of \$70,000.

On behalf of the Board of Directors, I wish to express sincere appreciation and gratitude to our employees for their efforts and to our customers for their confidence.

For the Board of Directors,  
George G. Parsons,  
President



# The Goderich Elevator and

(Incorporated under the

BALANCE SHEET

March 31, 1969

(with comparative figures for 1968)

## ASSETS

### CURRENT:

	1969	1968
Cash .....	\$ 1,586	\$ 2,488
Investments—at cost (approximate market value—1969—\$749,770; 1968—\$678,944) .....	746,021	
Accrued interest .....	3,874	
	<u>749,895</u>	<u>784,679</u>
Accounts receivable .....	21,417	23,483
Accrued revenue from grain elevation and storage .....	81,606	67,635
Prepaid expenses .....	472	461
	<u>854,976</u>	<u>878,746</u>

### FIXED:

Land—at cost .....	3,118	3,118
Land and water lots held under lease— at nominal value .....	1	1
Docks, buildings, barges, machinery and equipment—at cost .....	2,041,202	1,984,129
	<u>2,044,321</u>	<u>1,987,248</u>
Less accumulated depreciation .....	1,113,044	1,069,879
	<u>931,277</u>	<u>917,369</u>
	<u>\$1,786,253</u>	<u>\$1,796,115</u>

# Transit Company Limited

(In thousands of dollars)

NET

for the year ended December 31, 1968)

## LIABILITIES

	1969	1968
<b>CURRENT:</b>		
Accounts payable and accrued charges	\$ 34,759	\$ 29,369
Income taxes payable .....	25,924	33,456
	<u>60,683</u>	<u>62,825</u>
Deferred income taxes .....	268,000	270,000
	<u>268,000</u>	<u>270,000</u>
<b>Shareholders' equity:</b>		
Capital—		
Authorized:		
90,000 shares of no par value		
Issued and fully paid:		
84,166 shares .....	936,040	936,040
Retained earnings .....	521,530	527,250
	<u>1,457,570</u>	<u>1,463,290</u>
	<u>\$1,786,253</u>	<u>\$1,796,115</u>

On behalf of the Board,

F. H. Dunsford, Director

G. G. Parsons, Director

## AUDITORS' REPORT

### To the Shareholders of

### The Goderich Elevator and Transit Company Limited.

We have examined the balance sheet of The Goderich Elevator and Transit Company Limited as at March 31, 1969 and the statements of income, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at March 31, 1969 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

**Clarkson, Gordon & Co.,**  
**Chartered Accountants.**

London, Canada.

April 28, 1969.

### STATEMENT OF RETAINED EARNINGS

**Year ended March 31, 1969**

(with comparative figures for 1968)

	1969	1968
Balance beginning of year .....	\$527,250	\$510,071
Add net income for year .....	99,488	130,803
	<u>626,738</u>	<u>640,874</u>
Deduct dividends paid of \$1.25 per share in 1969 and \$1.35 per share in 1968 .....	105,208	113,624
Balance end of year .....	<u>\$521,530</u>	<u>\$527,250</u>



# STATEMENT OF INCOME

Year ended March 31, 1969

(with comparative figures for 1968)

	1969	1968
Revenue from elevation, storage, shovelling and other charges .....	\$588,298	\$662,828
Expenses:		
Operating expenses—		
Wages of superintendent, weighmen, operators, etc. ....	167,293	172,995
Municipal taxes .....	46,470	38,485
Supplies, repairs and maintenance .....	51,285	82,593
Power, water and light .....	18,574	21,332
Insurance and elevator bond premiums .....	13,749	12,815
Insurance on grain in store .....	9,645	5,079
Employees' pension plan .....	4,600	4,507
	<u>311,616</u>	<u>337,806</u>
Depreciation of properties .....	43,165	41,904
Administration expenses—		
Management and office salaries .....	20,086	23,149
Directors' fees and remuneration .....	25,236	24,365
Office expenses, employee benefits, travelling, donations, etc. ....	28,936	28,732
	<u>74,258</u>	<u>76,246</u>
	<u>429,039</u>	<u>455,956</u>
Income on operations .....	159,259	206,872
Other income (expense):		
Interest and dividends on investments .....	33,131	33,800
Loss on disposal of investments .....	(7,902)	(188)
Profit on disposal of fixed assets .....		1,319
	<u>25,229</u>	<u>34,931</u>
Income for year before taxes on income .....	184,488	241,803
Taxes on income—current .....	87,000	113,000
—deferred .....	(2,000)	(2,000)
	<u>85,000</u>	<u>111,000</u>
Net income for year .....	<u>\$ 99,488</u>	<u>\$130,803</u>

NOTE: The aggregate remuneration of directors and senior officers (as such are defined under the requirements of the Corporations Act of Ontario) was \$54,800 for the year ended March 31, 1969 (\$63,800 for 1968). This includes remuneration of three employees (four in 1968) not considered to be part of the management of the company.

# STATEMENT OF SOURCE AND APPLICATION OF FUNDS

**Year ended March 31, 1969**

(with comparative figures for 1968)

	1969	1968
Funds provided from:		
Operations—		
Net income for year .....	\$ 99,488	\$130,803
Add:		
Depreciation .....	43,165	41,904
Decrease in deferred income taxes ....	(2,000)	(2,000)
	<u>140,653</u>	<u>170,707</u>
Funds expended on:		
Payment of dividends .....	105,208	113,624
Purchase of fixed assets (net) .....	57,073	17,563
	<u>162,281</u>	<u>131,187</u>
Increase (decrease) in working capital .....	<u><u>\$ (21,628)</u></u>	<u><u>\$ 39,520</u></u>

## SUMMARY OF WORKING CAPITAL

	1969	1968	Increase or (decrease)
Cash .....	\$ 1,586	\$ 2,488	\$ (902)
Investments and accrued interest	749,895	784,679	(34,784)
Accounts receivable and accrued revenue .....	103,023	91,118	11,905
Prepaid expenses .....	472	461	11
	<u>854,976</u>	<u>878,746</u>	<u>(23,770)</u>
Less current liabilities .....	60,683	62,825	(2,142)
Working capital .....	<u><u>\$794,293</u></u>	<u><u>\$815,921</u></u>	<u><u>\$ (21,628)</u></u>

## **DIRECTORS**

**F. H. DUNSFORD**  
Great Star Flour Mills Ltd.  
St. Marys, Ontario

**H. C. HEIMBECKER**  
Parrish & Heimbecker Ltd.  
Toronto, Ontario

**K. E. HUBLEY**  
Jas. Richardson & Sons Ltd.  
Toronto, Ontario

**K. W. JONES**  
Winnipeg Charterers Ltd.  
Winnipeg, Manitoba

**G. G. PARSONS**  
Goderich Elevator & Transit Co. Ltd.  
Goderich, Ontario

**W. T. POWELL**  
K. A. Powell Canada (1966) Ltd.  
Winnipeg, Manitoba

**DAVID B. WELDON**  
Midland-Osler Securities Ltd.  
London, Ontario

## **EXECUTIVE OFFICERS**

**F. H. DUNSFORD**  
Chairman of the Board

**G. G. PARSONS**  
President-Manager

**DAVID B. WELDON**  
Vice-President

**J. C. CHISHOLM**  
Secretary

**M. McNEVIN**  
Treasurer

## **EXECUTIVE COMMITTEE**

**H. C. HEIMBECKER**  
Chairman

**F. H. DUNSFORD**

**DAVID B. WELDON**

## **AUDITORS**

**CLARKSON, GORDON & CO.**  
London, Ontario

## **BANKERS**

**ROYAL BANK OF CANADA**

## **TRANSFER AND REGISTER AGENTS**

**CANADA PERMANENT TRUST COMPANY**  
253 Bay Street, Toronto



